

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-474-E - ORDER NO. 93-701 ✓
AUGUST 5, 1993

IN RE: Request of Duke Power Company for Approval) ORDER
of Experimental Rate Schedule HP-X) APPROVING
(Hourly Pricing for Incremental Load).) EXPERIMENTAL
) RATE
) SCHEDULE

This matter comes before the Public Service Commission of South Carolina (the Commission) on the July 30, 1993 letter of Duke Power Company (Duke or the Company), seeking approval of the Company's new experimental Rate Schedule HP-X, Hourly Pricing for Incremental Load. The Company requests that the rate be effective for a two year period beginning September 1, 1993.

According to the Company, Schedule HP-X offers hourly marginal cost based prices for load in excess of a baseline that represents the hourly consumption for the customer under the conventional tariff. The baseline will typically be estimated by benchmarking the customer's consumption during the previous year. Usage represented by the baseline will be billed on the conventional tariff.

Duke views hourly pricing as an opportunity to improve the use of existing plant and to provide customers with increased flexibility in their operation. When Duke has capacity available,

hourly marginal costs are low. Prices based on these costs provide incentives to enhance capacity utilization. The Company wishes to offer this experimental rate to a limited number of industrial customers in order to test and enhance its operational and administrative features and to gain insight into customers' ability to manage usage that will vary with Duke's hourly costs of producing power.

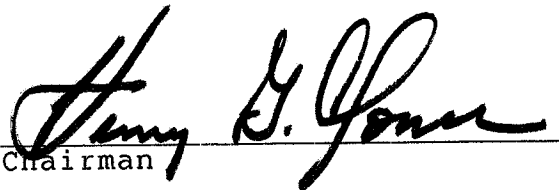
Under S.C. Code Ann., §58-27-870(F), the Commission may allow rates or tariffs to be put in effect without notice and hearing upon Order of the Commission when such rates or tariffs are for experimental purposes. An examination of the proposed tariff in the case at bar reveals that the tariff is certainly for experimental purposes. The Commission believes that Duke should be allowed to, therefore, put the tariff into effect under such conditions as filed without notice or hearing, and that the tariff in fact should be approved as filed.

IT IS THEREFORE ORDERED THAT:

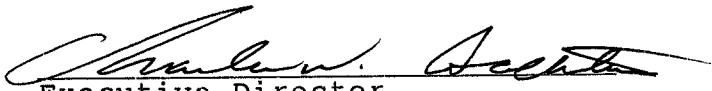
1. Experimental Rate Schedule HP-X Hourly Pricing for Incremental Load is hereby approved as filed for a two year period beginning September 1, 1993.

2. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)